

City of Minneapolis

Request for Committee Action

To: Committee of the Whole
Date: 4/13/2016
From: City Council
Lead Staff: Susan Segal, City Attorney
Presented by: N/A
File Type: Ordinance
Subcategory: Code Amendment

Subject:

20 Year Neighborhood Park Plan ordinance

Description:

Passage of ordinance amending Title 2, Chapter 16 of the Minneapolis Code of Ordinances relating to Administration: Finance, adding a new Article XIV entitled 20 Year Neighborhood Park Plan.

Previous Actions:

The Minneapolis Park & Recreation Board (MPRB) has identified a funding gap related to long-term financing of its neighborhood parks system, which it has proposed to address via a ballot question, as described in its Resolution No. 2016-112, adopted at its meeting January 20, 2016. The ballot question would seek public authorization for a special levy which would provide an estimated annual funding equivalent to .0388 of estimated market value for a twenty-year period. That resolution was vetoed by Mayor Hodges, but was overturned by the MPRB at its meeting on February 3, 2016. [For details, see Legislative File No. 16-00178.]

Subsequent to those actions, an alternate proposal was presented to provide a twenty-year funding mechanism for neighborhood park rehabilitation and capital projects with a guaranteed minimum of \$10.5 million per year, from 2017 to 2036, using a combination of levy, cash, and/or bond proceeds, to be determined at the discretion of the City. In addition, the City would provide the MPRB with a one-time \$1.5 million infusion by December 31, 2016, for capital improvements to, rehabilitation of, or operating expenses related to the neighborhood park system. The proposed 20 Year Neighborhood Park Plan proposal would not impact other funding streams for MPRB. [For details, see Legislative File Nos. 16-00381 and 16-00426.]

A presentation on the alternate funding proposal was presented to the Committee of the Whole at its regular meeting on March 16, 2016.

On March 18, 2016, notice of intent to introduce the subject matter of the ordinance related to the 20 Year Neighborhood Park Plan was given.

A details list of questions related to the funding proposal—include but not limited to potential sources, tax capacity implications and anticipated impacts to the City's five-year financial direction, projected year-end general fund balance, and other associated obligations affecting the City's financial commitments—was referred to the Ways & Means Committee to be addressed at its regular meeting on April 11, 2016.

On April 1, 2016, the ordinance was given its first reading and was referred to the Committee of the Whole for a public hearing at the committee's regular meeting on April 13, 2016.

Ward/Address:

All Wards

Background/Analysis:

Under the alternate funding proposal, the City and the MPRB would—in partnership—seek to address the funding gap affecting the future of neighborhood parks. The proposal is based on a defined twenty-year period, from 2017 through 20366, providing a guaranteed minimum amount of \$10.5 million per year, from sources to be identified by, and at the discretion of, the City. The City and MPRB will review and adjust the guaranteed minimum annual amount every five years during the term of the plan to determine if adjustments are required; those anticipated check-in periods would be by no later than December 15 in 2020, 2025, and 2030. The alternate funding proposal is focused exclusively on the rehabilitation of and capital investment in the MPRB Neighborhood Park System and is not to be used or applied toward rehabilitation, capital investments or improvements, or operations of those parks designated as part of the Metropolitan Council System of Regional Parks and Trails nor any part of the MPRB golf courses. The plan related to guaranteed neighborhood park funding will not impact any other funding streams for the MPRB, including Local Government Aid funding or the City's existing annual levy and capital budget processes irrespective of this alternate funding plan. The City and MPRB have acknowledged and agreed that both parties need to retain the ability to address future unanticipated critical needs, and have identified appropriate mechanisms to permit the City to modify the terms of the plan for any applicable year within the twenty-year period that is included in the 20 Year Neighborhood Park Plan.

Financial Review:

Additional appropriation required.

The City will provide the MPRB with \$1,500,000 in start-up funds by December 3, 2016, to be invested in capital improvements to, rehabilitation of, or operating expenses related to the Neighborhood Park System.

Future budget impact anticipated.

The City will recommend that the Board of Estimate & Taxation increase the adopted base 2016 MPRB Tax Levy of \$52,583,000 by \$3,000,000 in Fiscal Year 2017, which would equate to approximately 1% of all City tax levies for 2016, which would remain in effect for the duration of the twenty-year period covered by this plan, but would not supplant other operational funds for the MPRB Neighborhood Park System. The City, in its discretion, will identify funding sources for its commitment to the guaranteed minimum annual amount, which could include any combination of levy, cash, or bond proceeds.

Approved by the Permanent Review Committee.

Meets Small and Underutilized Business Program goals.

Attachments:

1. DRAFT 20 Year Neighborhood Park Plan ordinance